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TAGS: [KPAO](#) [OPRC](#) [KMDR](#) [PREL](#) [MEDIA](#) [REACTION](#)
SUBJECT: MEDIA REACTION US CONCERN OVER HUMALA CHAVEZ
US IMMIGRATION LEGISLATION PERUVIAN ELECTIONS US-
PERUVIAN FTA UN HUMAN RIGHTS COUNCIL ARGENTINE
BUSINESS CLIMATE 04/10/06

1. SUMMARY STATEMENT

Weekend international stories include the outcome of Peruvian elections; USG concern over Humala Ollanta; suicide bombers blasting worshippers as they left a Shiite mosque killing at least 79 people and wounding more than 160 in the deadliest attack in Iraq this year; and Uruguay breaking off talks with Argentina over the pulp mill dispute.

Centrist "Perfil," business-financial "InfoBae," and conservative "La Prensa" report on last Friday's DVC carried out in the US Embassy in Buenos Aires with John Gastright, US Deputy Assistant Secretary for Afghanistan, Pakistan and Bangladesh.

2. OPINION PIECES AND KEY STORIES

- "The US is concerned over the emergence of 'another Chavez' "

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nacion," writes (04/09) "Taking into account the outcome of Peru's presidential election, eradication of coca crops, the signature of an FTA and the entry of new capital are the topics the USG believes could suffer a serious retreat in the US-Peruvian bilateral relationship.

"The US State Department will keep silent as long as possible, as it did last December regarding Bolivian elections. It will assess the outcome of elections,

whether runoff elections will be necessary, comments made by the one who wins and his first announcements as well as the ministers he chooses.

"According to USG spokesperson Sean McCormack, 'We hope a free and fair election in Peru'...

"According to diplomats, government officials and experts who have been consulted by US diplomats during recent weeks, US Assistant Secretary for Latin American Affairs, Tom Shannon, has held talks for months with foreign ministers of the region in order to agree on an action line, if possible, if the most confrontational candidate, Ollanta Humala, wins.

"Shannon knows that the US position on this election,

whether more confrontational or conciliatory, could affect pending elections in Latin America throughout the year - Mexico, Brazil, Colombia, Nicaragua and Venezuela.'

"Venezuela continues to be the greatest concern for many foreign ministries of the hemisphere, including the US State Department and the Organization of American States (OAS). However, they fear that Humala could adopt for his own reasons a confrontation style along the lines of Hugo Chavez' rather than Morales' more moderate profile."

- "The US asks Argentina not to support Chavez"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nacion," comments (04/08)

"Argentina has just left the UN Security Council chair, although it will be a member of the selected club for nine more months. However, crossed pressures and disputes over its succession have already started and they could unleash a hemispheric diplomatic conflict."

"Guatemala and Venezuela are competing for the UN Security Council chair..."

"... The Argentine Foreign Ministry has received requests for support from both countries, as well as from US diplomats for the (Argentine) Government to support Guatemala's candidacy and prevent President Hugo Chavez to access the UN Security Council."

"... The US Department of State sustains that Chavez and his aides would only use the opportunity to carry out their 'dialectic war' in this forum and hinder any future decision on Iran, Syria or Cuba (Caracas'

allies).

"According to official sources of both countries, US Assistant Secretary of State for Latin American Issues Tom Shannon and his team have already stated their 'dislike' in view of this possibility during their meetings with Ambassador Jose Octavio Bordon."

- "Chavez threatens US ambassador"

Business-financial "Ambito Financiero" reports (04/10)
"Venezuelan President Hugo Chavez threatened US Ambassador William Brownfield to expel him from the country in the event 'he insists' on provoking controversial situations involving 'the Venezuelan people.'"

"... Chavez considered that Brownfield 'provoked' an incident last Friday when official groups threw tomatoes and other food and chased the diplomatic caravan in a Western section of Caracas."

"... The US Department of State accused local Caracas authorities of 'complicity' due to last Friday's incident and warned the Venezuelan Ambassador to Washington, Bernardo Alvarez, that there will be 'severe diplomatic consequences' between both countries if another similar incident takes place."

- "Immigrants will demonstrate in the US due to polemic legislation"

Ana Baron, Washington-based correspondent for leading "Clarín," comments (04/10) "... Today, Hispanic immigrants will go out to the streets to stage mass demonstrations against HR 4437 legislation."

"According to this draft bill, which was passed by the

US House of Representatives, the 12 million undocumented immigrants are criminals and deserve to be arrested and deported, but not only this. According to the law, every organization or church granting help, whether monetary or spiritual, to undocumented immigrants will be punished and their leaders or priests could be sentenced to up to five years of imprisonment.

"... The Catholic Church in the US is powerful... With this kind of support, Hispanics expect to turn today's demonstration into a real organized movement like that of the '60s that defended the civil rights of the Afro-American community."

- "Humala wins and participates in runoff elections but no one still knows who will compete with him"

Dolores Tereso, on special assignment in Lima for daily-of-record "La Nacion," writes (04/10) "Last night, uncertainty took hold of Peruvians. A nationalistic retired military, Ollanta Humala, who admires Venezuelan Hugo Chavez, won the first round of presidential elections but with a percentage that will compel him to compete in a runoff election with an unknown competitor.

"... According to all opinion surveys, none of competing forces will have its own majority at Congress...

"Yesterday's figures revealed a divided country-first, those supporting Humala's promises to nationalize natural resources and increase taxes on multinational corporations voted for him; secondly, those who want a moderate and pro-free market government voted for Flores; and, third, those who sought a greatest intervention of the State in the economy voted for Garcia."

- "Peru and the unfulfilled promises of markets"

Oscar Raul Cardoso, international analyst of leading "Clarín," opines (04/08) "... Things could favor Humala, a relatively new character in the national scenario whose personal history (former military who led a coup with Alberto Fujimori) and populist

rhetoric (he proposes the nationalization of mineral resources and key centers like ports of the country) present him as someone similar to Hugo Chavez.

"... Will Peru add itself to Latin American countries that have lately inclined themselves in favor of center-left governments?

"... Of course, market ideologues do not believe this. Toledo had to ask the US to postpone the ratification of an FTA (which Humala opposes), with which Washington is attempting to replace the now-dying FTAA. These deals are a 21st century version of the domino theory - every piece falling on these deals is another nail in the coffin of any alternative model of hemispheric organization to that proposing a definitive alignment with Washington and conditions all those who are reluctant to reach them. But this, as well as many other things in the region still remain to be seen."

- "Chile and free trade, challenges to be met by Peru"

Dolores Tereso, on special assignment in Lima for daily-of-record "La Nacion," writes (04/08) "Everything in the Peruvian election campaign seems to be around Ollanta Humala. It was enough that the retired military said a couple of polemic phrases

about Chile for the Peruvian-Chilean ties (always difficult) were placed at the center of the debate in this tough race for the presidency.

"An FTA with the US and Peru's ties with Chile are one of the main foreign policy challenges to be faced by the new Peruvian president. What to do with coca crops, an issue that marks the tone of the US-Peruvian relationship, will be another challenge.

"Favorite in opinion polls, Humala unleashed a strong controversy last January when he announced he would set 'limits on Chilean investment in strategic areas' of the economy (such as ports) and he criticized Chilean compulsive purchase of armament, which, in his opinion 'has broken the military strategic balance of the region.'

"Conservative Lourdes Flores and former center-left president, Alan Garcia, second and third in opinion surveys respectively, reacted to the nationalistic candidate's statements and, not to be less, toughened their own stances."

- "I loosened the reins"

Jorge Elias, international columnist of daily-of-record "La Nacion," writes (04/09) "Every time George W. Bush looked to Latin America, he thought of China. The region itself was going to be inseparable of the common fate with the US. It was going to be so until the Century of the Americas, announced during (Bush's) first election campaign as a hook for Hispanics living in the US, made Twin Towers stumble to pieces. Ever since, the precarious presence of the hemisphere in the US agenda was due to its little risk potential. While the focus shifted from Afghanistan to Iraq, the Asian competition in a territory considered one's own was not enough to erase the latent interest in pre-emptive wars on terrorism.

"Latin America was not a priority at the beginning of the Bush administration.

"... Since his first administration, every time Bush looked to Latin America he thought of China, but he warned that, due to a less noteworthy US influence because of the reduction of the budgetary allotments for the region..., Chavez' thunderstorm was growing with the impetus of investment and his anti-US and anti-free trade slogans...

"Bush, focused on getting out of the chaos he sparked in Iraq, did very little to soften the impact of the downfall in the US image and above all, of his own credibility in the neighborhood. He did very little to preserve his leadership."

- "US Democrats urge labor clause in Peru FTA"

Liberal, English-language "Buenos Aires Herald" reports (04/10) "The Bush administration should include a provision in a proposed free-trade pact with Peru that meets international labor standards, a group of congressional Democrats said on Friday.

"... If USTR accepted an offer by Peruvian President Alejandro Toledo to put the labor standards obligation in the pact, the group said it would work with the administration on a major aid package to ensure that Peru was able to implement the agreement, particularly the labor elements."

- "Argentina seeks votes for a key institution"

Ana Baron, Washington-based correspondent for leading "Clarín," writes (04/10) "Argentine Ambassador to the UN, Cesar Mayoral, is leading an effort to obtain the 96 votes required for Argentina to be elected as a member of brand-new UN Human Rights Council."

"The task is not an easy one. Latin America only has eight seats of the 47 total seats of this institution... The Kirchner administration is determined to become a member of it."

- "Afghanistan makes progress with foreign donations"

Patricia Valli, columnist of business-financial, center-right "InfoBae," writes (04/10) "US priorities are the eradication of poppy crops to put a brake on opium and narco-trafficking, as well as the development of new crops and the improvement of basic health, water and electricity services."

"Five years away from the removal of Taliban from Afghanistan, there are 20,000 US troops stationed in the country in order to maintain the stability of Karzai's government."

"According to John Gastright, US Deputy Assistant Secretary for Afghanistan, Pakistan and Bangladesh,

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the reconstruction strategy drafted along with Karzai, includes to put an end to the network of opium growing and traffic."

- "Opium harasses Afghan democracy"

Guillermo Belcore, columnist of conservative "La Prensa," writes (04/09), comments "Almost five years away from the invasion of Afghanistan, US Deputy Assistant Secretary John Gastright depicted a panorama of the situation in the country. According to Gastright, legality is being strengthened in Kabul, but drug trafficking has increased. The US is willing to stay many years and invest in the country."

- "The Bush administration is planning to stay in Afghanistan all the time it needs"

Yolanda Yebra, columnist of centrist newspaper "Perfil," writes (04/09) "... Beyond capturing Omar and Osama, the US wants 'a stable Afghanistan that is able to live on its own means.' In order to meet this goal, the US has already invested '10,5 billion dollars in the reconstruction of the country' and 'will stay there all the time it needs.'"

13. EDITORIALS

- "Inadequate (Argentine) business climate"

An editorial in daily-of-record "La Nación" reads (04/10) "... According to The Economist Intelligence Unit report on business climate, Argentina and the Dominican Republic maintained the same rankings as last year."

"... In spite of the fact that, according to the report, a good number of Argentina's economic variables are in good health, Argentina obtained the same score as in 2005. This should be attributed,

among other issues, to Argentina's little respect for judicial security and its impact on the lack of investment. For this reason, it is necessary to develop an overall institutional view that will serve to create an adequate business climate in order to capture productive investment and, therefore, assure a

sustained economic growth."

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